



Department of Justice

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AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT ISSUES BUSINESS REVIEW LETTER

WASHINGTON, D.C. -- The Department of Justice announced today that it has advised the Copyright Clearance Center Inc. (CCC) that it does not intend to challenge its proposal to offer a new type of license under which CCC would negotiate fees directly with users for nonexclusive blanket licenses permitting the reproduction of copyrighted materials.

A blanket license is a license covering all or some portion of the materials CCC member copyright holders have authorized CCC to license.

CCC, headquartered in New York City, is an organization comprised of authors, publishers and users of various copyrighted materials, which facilitates copyright clearance between users of copyrighted materials and copyright holders.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, to counsel for CCC. Bingaman's letter states that it is unlikely that the new blanket license

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will provide CCC with enough market power to raise the license fees charged to users to above competitive levels.

First, CCC will continue to offer pay-per-use licenses, and copyright holders will continue to be able to negotiate separate licensing agreements with users and firms competing with CCC in providing copyright clearance.

Second, there are several firms that compete successfully with CCC to some extent and there has been recent and relatively easy entry into providing copyright clearance services. A number of firms have begun competing with CCC to varying degrees by providing copyright clearance with electronic access to protected works.

The letter also states that there may be a procompetitive justification for the proposed change in operations since it may result in price levels that more accurately reflect the market value of the rights conveyed. Also, it may enable CCC to enter into license agreements with a larger number of users, and may help to reduce CCC's administrative costs.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice,

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Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the filed.

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